



**Fiscal Year End 2013  
Processing in SMART  
&  
Frequently Asked Questions**



## Topics:

- Concurrent processing is no longer available.
- Review year end resources.
- Review questions and answers that the SMART team has received about fiscal year end.



Resources to assist agencies with fiscal year end include:

- Policy Manual 14,002 – Fiscal Year Closing of Obligations
  - Please note this PM is currently being updated and the revision will be available soon.
  - <http://www.da.ks.gov/ar/pm/pm14002.htm>



- Informational Circular 13-A-005
  - Explains the reasons for the elimination of concurrent processing.
  - The key is to plan ahead for this change.
  - <http://www.da.ks.gov/ar/infocirc/fy2013/ic13a005.htm>

# SMART

Statewide Management, Accounting & Reporting Tool

## Accounts and Reports

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### INFORMATIONAL CIRCULAR NO. 13-A-005

**DATE:** May 1, 2013

**SUBJECT:** Concurrent Period Processing

**EFFECTIVE DATE:** May 1, 2013

**A & R CONTACT:** Steve Anderson,  
Interim State Comptroller (785) 296-2436 

**APPROVAL:** Martin Eckhardt, Director, Office of Audit and Assurance  
(original signature on file)

**SUMMARY:** Elimination of Concurrent Period Processing

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The Department of Administration is changing statewide accounting practice by eliminating the concurrent processing period within SMART. This is being implemented to address audit findings and to reduce risk by improving the current level of statewide accounting system controls. Establishing this change as a best practice will assist the state in achieving defined monthly cutoffs, thus reducing system date and timing issues in monthly reconciliations. We understand this will require agencies to plan ahead for processing that normally occurs during the crossover period from one month end to the beginning of the new month as well as the transition from old state and federal fiscal years to new state and federal fiscal years. This change will be effective beginning with the month end closing for May, 2013.



- Informational Circular 13-A-006
  - Explains the procedures for fiscal year end close 2013 and the opening of fiscal year 2014.
  - Includes useful day by day summary as a reference tool.
  - Includes references to helpful queries and job aids.
  - Includes month-end checklists for accounts payable, accounts receivable, asset management, general ledger, and purchasing.
  - <http://www.da.ks.gov/ar/infocirc/fy2013/IC13a006.pdf>

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## Office of Systems Management

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**INFORMATIONAL CIRCULAR NO. 13-A-006**

*(supersedes 12-a-008)*

**DATE:** April 30, 2013

**SUBJECT:** Closing of Fiscal Year 2013 and Opening of Fiscal Year 2014

**EFFECTIVE DATE:** Immediately

**CONTACT:** Randy Kennedy (785) 296-4788 [Randy.Kennedy@da.ks.gov](mailto:Randy.Kennedy@da.ks.gov)  
Central Responsibilities Team  
Steve Banning (785) 296-7059 [Steve.Banning@da.ks.gov](mailto:Steve.Banning@da.ks.gov)  
Payroll Services Section  
Lucinda Anstaett (785) 296-4151 [Lucinda@treasurer.state.ks.us](mailto:Lucinda@treasurer.state.ks.us)  
Office of the State Treasurer

**APPROVAL:** Sarah Gigous  
(original Signature on File)

**SUMMARY:** Schedule of accounting events relevant to the close of fiscal year 2013 and the opening of fiscal year 2014.

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**New for FY 2013 Year-End Processing:** The concurrent processing period that has been used in SMART for previous years will no longer be available. Also, the one day of concurrent processing that has been available at the close of each monthly period will no longer be available. This change is effective for the closing of May. See **Informational Circular 13-A-005** for additional details regarding the elimination of concurrent processing periods.



- Fiscal Year End Processing is also the Module of the Month on the SMART web site.
  - FAQ document will be added this week that includes the questions and answers from this presentation, as well as new questions received.
  - A guide for year end was created from Informational Circular 13-A-006. This guide includes a table of contents for quick reference, and information arranged by module.
  - <http://www.smartweb.ks.gov/announcements/module-month>



## **Guide to Fiscal Year 2013 – Year End Closing Process**

### **Table of Contents**

Guide to Fiscal Year 2013 – Year End Closing Process.....	1
<b>NEW for FY 2013 Year End Processing.....</b>	<b>3</b>
<b>General Items .....</b>	<b>4</b>
General Ledger ( <b>GL</b> ) <b>Encumbrance Request Form and Business Process .....</b>	<b>5</b>
<b>Allocations .....</b>	<b>6</b>
<b>Accounts Payable .....</b>	<b>7</b>
Accounts Payable - References .....	7
Accounts Payable - Queries.....	8
Expense Reports.....	8
Expense Reports - Queries .....	9
Travel Authorizations .....	10



## Frequently Asked Questions

- These questions were submitted in advance of today's presentation so that the entire SMART team could assist with providing answers.
- If you still have questions at the end of this presentation, please direct them to Randy Kennedy via e-mail, at [randy.kennedy@da.ks.gov](mailto:randy.kennedy@da.ks.gov).



## General Questions

- Q1: How firm are the dates in the memo? Are these dates going to be a permanent change?
- A1: These dates are firm. We don't anticipate any major changes going forward.



- Q2: What is the reason for closing SMART from the June 28-30? Will we be able to submit our corrections to someone at SMART to enter them during this time?
- A2: The reason for closing from June 28-30 is so that we can clear all prior year transactions. You will not be able to do corrections during that time. The intent is for you to be finished at 6PM on June 27. The assumption was made that most agencies would need FY14 to be open for processing on July 1.



## Accounts Payable Questions

- Q3: Will the agencies be allowed to pay encumbered FY 13 vouchers during the period July 1-11?
- A3: Yes.



- Q4: For June bills that will not be received until July, I can't do a PO because I won't know the exact amount. Can I start paying June bills received in July as FY14 expenditures and go forward from there?
- A4: At fiscal year end, you should create a PO for the estimated amount of the service bill even if you won't have the bill in time to know the exact amount. As long as there has been a reasonable estimate, any excess can be paid from FY14 funds. Prior bills could be used to assist you with the estimate.

Please note that OITS is planning to expedite their billing. The June bill will be sent out by June 21st.



- Q5: What should I do with expenses that occur on June 28 and possibly June 27. It's too late to process a PO, and the expense may not be a candidate for P-Card. Can these transactions be paid in FY14, or do they have to be on a claim form because we couldn't anticipate them? If P-Card transactions from June 22-June 30 can be expenses for FY14 without a claim form, then why can't travel and other expenses be transactions for FY14 that week?



- A5: If your agency can estimate the expenses, you should process a GL encumbrance by June 24. The only other option is to submit a claim in accordance with Policy Manual 11,966 (Payment of Claims for Services or Goods Purchased in Previous Fiscal Year). Expenditures incurred on June 28-30 are considered FY13 obligations. Policy Manual 14,002 creates an exception for P-card transactions, but does not allow for any other exceptions.



- Q6: Some agencies operate 24 hours a day, seven days a week, or may need to respond to an emergency or disaster between June 28 and June 30. How accountable are agencies for FY13 expenses that may occur during this three-day period that would be charged to FY14?
- A6: Expenditures incurred on June 28-30 are considered FY13 obligations. The choices are GL encumbrance, or submit a claim in accordance with Policy Manual 11,966.



- Q7: As a public service agency we may incur expenses for emergency responses over the weekend. While we could submit a GL encumbrance for an average weekend, we do not want to over inflate expenses.
- A7: Your individual agency needs to decide which option is best. If a GL encumbrance is not used and you have expenses, the only choice is to submit a claim in accordance with Policy Manual 11,966.



## Travel Expense Questions

- Q8: On July 1 when FY14 opens will agencies be allowed to process vouchers or travel expenses against FY13 or prior encumbrances?
- A8: Yes, you will be able to process payments for prior encumbrances. For travel you will need an appropriate FY13 travel authorization.



- Q9: We have a large group of employees where our business office does not know which employees will be traveling on each day. So setting up Travel Authorizations is really not something we can do for travel on the last few days of June since we can't identify who will be traveling. After FY13 is closed, how should the travel expenses for those days be paid?
- A9: It would be best to make a reasonable estimate of the expenses and process a GL encumbrance before the deadline. If that is not done, you can submit a claim in accordance with Policy Manual 11,966.



- Q10: If we process a travel authorization and the traveler incurs an additional unanticipated expense, is the correct procedure to fill out the claim form for that one line and put it on a separate voucher? What if the amount is under \$5? We still want to reimburse our employee but don't want to create other problems by using our Imprest fund.
- A10: If travel exceeds the travel authorization, create a separate travel expense for FY14. As long as both travel expense reports complete processing on the same day, they should combine into one payment. For these situations no claim is required as the agency made a reasonable attempt to encumber the funds.



- Q11: For Out of State travel occurring July 1<sup>st</sup>, can a Travel Authorization be entered at the end of June and have the SMART team change the budget dates to FY14 for us? The TA has to be approved before the beginning travel date. If not, should we enter the travel dates as July 2<sup>nd</sup> and explain in the comments “travel actually started July 1st due to SMART approvals we had to enter incorrect dates”.



- A11: No. The Travel Authorization should be created July 1. The system will allow you to create and approve a TA for the current day. The TA must make it all the way through the approval process prior to the date listed in the “Date From” field AND the earliest date listed in the details section. For example: If you have an employee that travels July 1-2 and has expenses on each day, you must have the TA fully approved by the end of day on July 1.



- Q12: If we properly file a claim form (in July) for unencumbered FY13 travel, is it an audit finding or not? When you read the memo, one can infer that any claim form will generate an audit finding.



- A12: Best practices require that all known travel have the appropriate travel authorization and be paid with funds from the appropriate fiscal year.  
For travel as well as other expenses that occur on or after the established cutoff date that are unforeseen and not encumbered, an explanation of the unforeseen reason for the expense should be included with the appropriate claim documentation. Processing a claim does not automatically generate an audit finding. However the unique circumstances, on a case by case basis, may result in an audit finding. It is important to provide as much documentation as possible. Travel that occurs prior to the cutoff period and without a travel authorization will still be subject to an audit finding.



## Accounts Receivable and Deposit Questions

- Q13: Can I deposit funds on June 28?
- A13: If you will have electronic deposits on June 28 where you know the funding and amounts beforehand, you should enter and approve the deposit prior to June 28. The treasurer will approve the receipts when the funds are received. If you can't enter it before June 28, you can deposit with the State Treasurer's Office using the Temporary Deposit Form.



- Q14: Can credit card receipts in First Data online system be processed on July 1 for FY13? What will be the cut-off for what is loaded into SMART from First Data?
- A14: 6:57AM June 28 will be the last download of credit card receipts to be loaded into SMART for FY13. There are no credit card loads on the weekend. July 1 credit card uploads will be July business.



- Q15: For credit card fees that are processed on receipt journals, when will these be processed at year end?
- A15: Credit card fees are charged in the first week of the month. So journals processed the first week of July will hit the GL in the new month, and should be charged to FY14.



## Other Questions

- Q16: Please provide an overview on how the Department of Administrations sees agencies handling federal funds (grants) so that expenditures are accurately reported, with the cutoff deadlines for expenditures and deposits, and the requirement for a positive cash position in the federal fund.
- A16: Agencies should seek timely reimbursements and be at a zero or higher cash balance in the GL at fiscal year-end. If agencies run into problems or anticipate problems with negative funds at FY13 year end, they should contact Steve Anderson, the Interim State Comptroller.



- Q17: Last year we missed the deadlines on the Accounts Receivable Certification, Pollution Remediation, and Contingent Liabilities reports. These are not listed on the informational circular. Does this mean they are not due? Can a list of all other forms, certifications, etc. due be published?
- A17: These are forms needed for the CAFR (Comprehensive Annual Financial Report). The year-end circular is primarily meant to address the closing of SMART. A letter is sent to each agency with the deadlines for those items.



- Thank you in advance for actively preparing your agency for a smooth year end close.
- Again, remaining questions can be directed to Randy Kennedy, via e-mail. The questions and answers will be updated to a Year End FAQ document on the SMART web site.

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